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THERE'S NO TURNING BACK: A PROPOSAL FOR CHANGE

**Submission to the Greater Toronto Area Task Force
by Metro Toronto Council**

September 5, 1995

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THERE'S NO TURNING BACK: A PROPOSAL FOR CHANGE

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HIGHLIGHTS OF "THERE'S NO TURNING BACK"

"There's No Turning Back: A Proposal for Change" is Metro Council's submission to the GTA Task Force, approved by councillors on August 16, 1995. Council welcomes the opportunity to assess the Metro Toronto experience since the last review in 1977 (former Premier John Robarts' report) and make suggestions for improvement. There is real merit in examining how Toronto's metropolitan level of government has worked over the past forty-two years to see what it offers in the way of solutions to the current situation. As Metro Chairman Alan Tonks said last June, "We only get a chance to reorganize government every twenty or forty years. Our task today is to prepare the framework for a new and better regional government capable of responding to the major challenges of the coming decades".

Everything about the establishment of Metro in 1953 was deliberate. The province recognized that the municipalities and communities in and around the City of Toronto operated together and needed to be managed as a large city. In 1988 the province recognized that this government had to be directly accountable to the citizens of the entire area. Metro's 1991 strategic plan outlined a vision for Toronto which remains valid today and will continue to be in the future. This vision embodies the image of a diverse urban community that is socially, economically and environmentally healthy; in which individuals' rights are balanced with community interests as a whole; where all sectors and citizens are able and willing to participate as partners in the growth and sustenance of the community.

Since its inception, Metro Toronto has become a model of large city development, management and government. From Etobicoke to Scarborough, from Front Street to North York, Metro Toronto is an eminently liveable city. It is

safe and secure and easy to move about in. It has a vital and recognizable centre. It offers parks and trees and thriving neighbourhoods. People want to live here.

Metro Council strongly believes that the principle of an elected metropolitan government is sound and is the best way of governing the rapid urban growth that has occurred in the whole area now generally known as "Toronto". From this conviction comes the title of this report: "There's No Turning Back". It still makes sense to coordinate certain public services such as police, public transit and roads in a region in which the flow of people, goods and services takes place over the entire urban area. Metro government has been successful for municipalities in Ontario and around the world and it would be retrograde to move away from a region-wide, elected government for the Toronto area. Unequal delivery of services to residents in the urban area, inefficiency, and lack of accountability would result.

Some changes should be made, however, to improve the efficiency, effectiveness and accountability of regional municipal governments such as Metro. This submission places top priority on reforming the legislative, financial and structural frameworks of municipal government in the Toronto area.

A New Provincial-Municipal Relationship

The partnership between the province and municipalities must be simplified. A new legislative framework is required to allow the province to set broad policies and guidelines and devolve greater authority for planning and management to municipalities. In this way both regional and local governments will have the flexibility and autonomy they need to better serve taxpayers.

Financial Empowerment for Municipalities

Changes to the financial framework are also required to enable municipal governments to carry out their responsibilities and provide equal services over an area. The first step is to remove General Welfare Assistance from the property tax and make it the full financial responsibility of the provincial government. Municipal funding sources should be diversified and the property assessment system should be reformed.

A Modernized, Streamlined Structure

It is time to catch up with the reality of the expanded urban community of Toronto, which has gone beyond the boundaries of Metro Toronto. This submission proposes new boundaries for the Toronto region based on Toronto's housing and labour markets, the urbanized area and the bioregion. The two-tier system of municipal government should be

modernized by replacing the five existing regional governments with one coherent "Greater Toronto Council". This council will allow better regional coordination, less government, less duplication and lower costs to the taxpayer. Like Metro, it will provide police, ambulance and transit services, roads, and community services. It will also manage planning and economic development on a regional level.

In the debate over the future of the GTA, many ideas have been put forward by those who are intimately acquainted with the problems currently faced by the area. Suggestions include non-elected special purpose bodies, a separate province, and a super city. Despite the differences, most proposals recognize that some kind of regional coordination is essential. Direct and exclusive election to the regional council is also essential to make regional government accountable.

PROLOGUE

SETTING THE SCENE

This report is about Toronto.

Why is the Metro Toronto government writing a report about Toronto as input to reform of the Greater Toronto Area?

Toronto is one city, one metropolis. It always has been, always will be. It has been, and continues to be, a rapidly growing city, both in terms of its total population and its physical extent.

We figured out back in the 1950s that Toronto is larger than the governmental unit called the City of Toronto, so Metropolitan Toronto was created. The urban area is now larger than the governmental unit called Metropolitan Toronto.

As is common with all other large, expanding cities, it is difficult to define Toronto's boundaries precisely, but not impossible to approximate them.


Toronto has many communities and neighbourhoods, some with interesting historical origins, but they are all part of one metropolis.

People who live elsewhere don't have any difficulty understanding the reality of a Toronto metropolis.

People who live here may distinguish themselves from one another by identifying with the specific community in which they reside: "I live in the Beach" (or Willowdale, or Thornhill, or Clarkson).

But when abroad, we all explain that we are from Toronto so that people will understand, will get the right geographic fix.

Recognizing the existence of this large city, all of which is really Toronto, is critical if we are to be serious about how best to govern it.



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PART 1: THE BASIS FOR CHANGE

1.1 INTRODUCTION

In the international arena Toronto is an emerging large city. It competes increasingly for prominence and economic development with many other emergent and established large urban regions around the world. Numerous factors will determine how successful Toronto is at gaining recognition and attracting investment.

Toronto's fate in the universe of barrier-free trade and global competition, a universe of decreasingly significant national governments, will be influenced by how the city is governed. It is essential for Toronto's long-term economic viability that the approach taken to its government includes a metropolitan-wide perspective on urban growth and management.

In fact, finding ways to encourage metropolitan thinking and action is one of the critical challenges confronting the provincial government and the GTA Task Force as they investigate options for the reform of municipal government in Toronto.

This report offers our ideas as the provincial government and the task force respond to their challenge.

The report:

- *defines key problems that impede the effectiveness and efficiency of the region and, therefore, its competitiveness;*
- *outlines our vision for the future of Toronto;*
- *sets out a framework of assumptions and goals to guide the choice of solutions to the problems; and*
- *identifies specific proposals for the reform of municipal government in Toronto.*

We realize that what the GTA Task Force recommends and, subsequently, what the province does about Toronto's government will involve negotiations and compromises. In this report, we make no attempt to anticipate the eventual outcome of that process. Rather, we present our view of the ideal solution in an effort to focus the debate on what is best for Toronto and, therefore, for all of us who live, work and enjoy life in this great metropolis.

For the sake of simplicity, throughout this report Toronto or Toronto region refers to the entire urban region, not just the current City of Toronto.

1.2 WHY WE NEED CHANGE

There has been a lot of talk about problems with government in Toronto. We have heard that there is too much municipal government and that government is too expensive. Every newspaper and commentator seems to have raised the spectre of Metro Toronto becoming a hole in the GTA doughnut.

These problems are often stated as such sweeping generalizations that, while they raise the level of anxiety, they are not particularly informative. However, they are clear signals that people want change. We all have a responsibility to get at the root causes of the protest.

What are the Real Problems?

In 1953, the province created Metro Toronto for sound, logical reasons that recognized the need for a coherent metropolitan voice. Everything about the establishment of Metro was deliberate. The province acknowledged Toronto was a large city that needed to be managed as a large city, and that it could not be managed well by a fragmented group of local municipalities. The province recognized the necessity to balance the

needs of the entire city with the unique demands of specific communities within it. It also recognized in 1988 that the metropolitan-wide government had to be directly accountable to the citizens of the entire city, not to a fragmented group of local councils, whose members did not depend on meeting metropolitan needs for their political success.

Fragmentation

The fundamental problem today is that Toronto has outgrown the statutory boundaries of the metropolitan council that was established to plan and manage its growth. Government of Toronto is politically fragmented even with the existence of the Metro Council. Metro Toronto's boundaries are considerably smaller than the actual physical and economic size of Toronto. Metro Toronto is underbounded.

The urban area has clearly outgrown its government structure. Map 1, on the following page, describes the resultant fragmentation of responsibility for regional level government in Toronto.

Today, responsibility for metropolitan-wide government in Toronto is fragmented among Metro Council, four regional councils, numerous provincial government ministries, and myriad special purpose bodies. This fragmentation makes the government of Toronto uncoordinated, internally competitive, slow and expensive.

If Toronto's government is fragmented now, just imagine how much worse it would be if Metro, along with the existing regional governments, were dismantled and 30 local municipalities were relied upon to coordinate and share responsibility for metropolitan government.

Let us take a closer look at the problems caused by fragmentation.

Lack of Accountability

In the present system, too many people are involved in municipal decision making. Because there are no clear lines of authority or responsibility, accountability suffers. In addition, Toronto has reached a point where individual regional governments lack capacity to meet metropolitan-wide needs. This contributes to the lack of accountability. How is a government held accountable when it can't deliver?

Inefficiency

Fragmented government is inefficient. The lack of a coordinated approach to the planning and development of infrastructure has resulted in inefficient investment in expensive infrastructure, much of the cost of which has been borne by the provincial government. Uncoordinated planning has encouraged sprawl, which has resulted in heavy investment in new roads, bridges and piped services, while existing infrastructure is, in some instances, under-used.

In 1994, there were 1,346 hectares (3,326 acres) of fully serviced vacant industrial land in Metro. Our current fragmented approach to regional government permits these sites, with road, water, sewer and hydro connections already paid for and in place, to sit vacant while taxpayers have to pay for new road, water, sewer and hydro connections to industrial development on the rural fringes of the Toronto region.

Such expensive duplication is unsustainable.

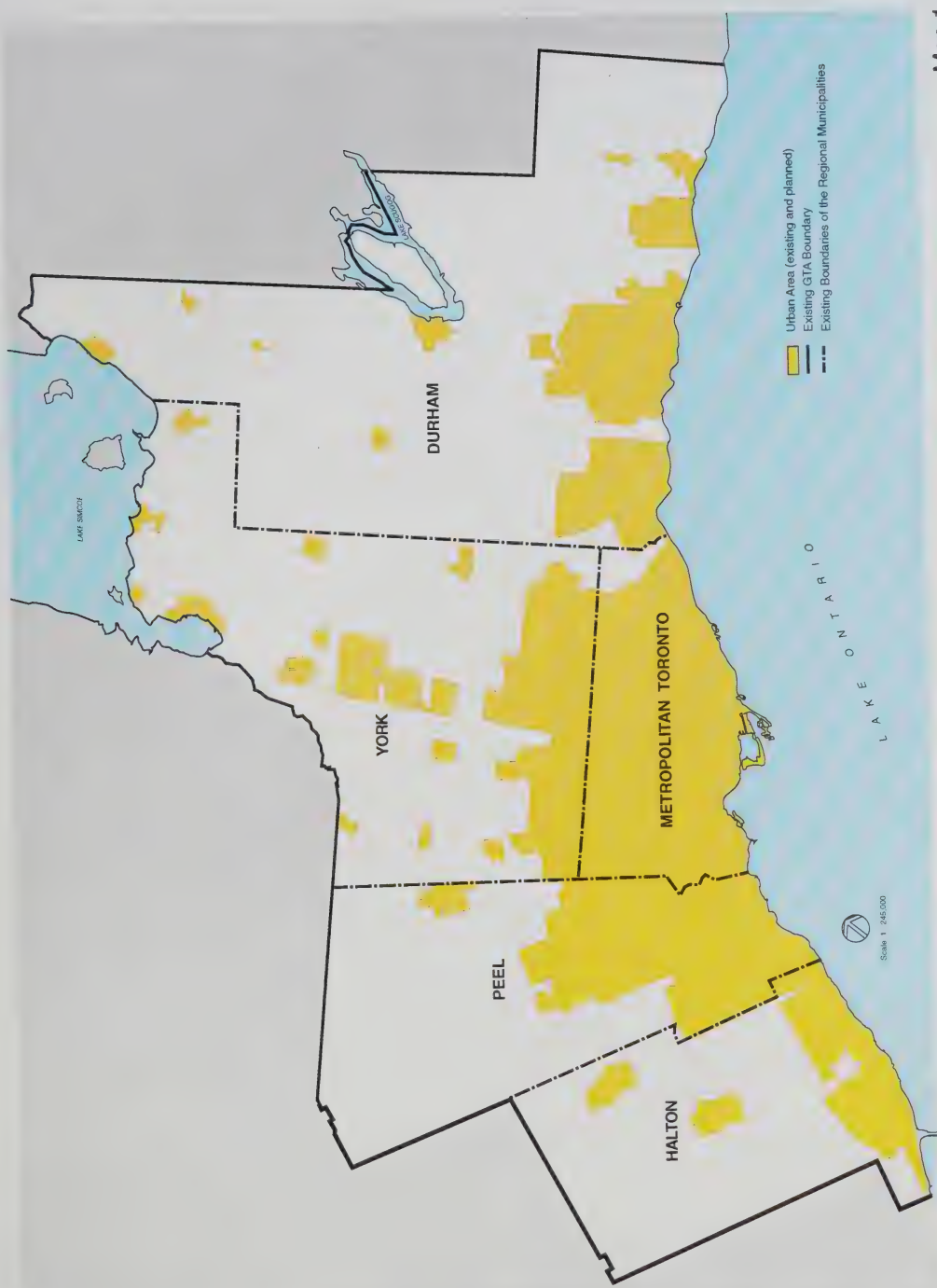
Lack of Fairness

Fragmentation at the metropolitan level has reintroduced the problem of spillovers which the creation of Metro dealt with effectively in the 1950s. Specifically, there is now, as there was in the 1950s, an inefficient allocation of resources within the region because some people benefit from services but do not contribute to the costs. As a result, some municipalities, primarily Metro Toronto, bear an inequitable and increasingly unsustainable burden of costs that should be shared more broadly, across the whole of Toronto.

For example, Metro ambulances respond to 13,000 calls outside Metro Toronto. About 1,000 of these calls are to Pearson International airport alone. Some 40 per cent of people attending Metro-funded cultural facilities live outside Metro Toronto.

Provincial Barriers

As a major funder of infrastructure development and human services in Toronto, the province has a keen and legitimate interest in the government of the metropolitan area. To ensure that its investments are efficient and sustainable, the province must address the problems of fragmentation and provincial-municipal entanglement.



The current entangled nature of provincial involvement in Toronto's government has created a problem. The effectiveness and efficiency of municipal government are impeded by legislative barriers and over-regulation of functions.

The province reviews and approves too many municipal decisions. One hundred and fifty pieces of provincial legislation govern municipalities with a complex set of rules. This adds to the cost of doing business for both the province and the municipalities. Furthermore it stifles innovation and the search for service efficiencies.

For example, Metro cannot modify its special purpose bodies by reducing their size, altering their mandates, dissolving them, or delivering their functions through Metro departments unless the provincial government agrees to amend the "Metro Act". This limitation even applies to agencies such as the Board of Governors of Exhibition Place and the Board of Management of the Guild.

A clearer distinction has to be drawn between the role of the province and that of Toronto's metropolitan level of government. The province must focus on broader policy and legislative issues and on the social and economic health of Ontario, while providing the metropolitan government with the means to implement its service responsibilities in a flexible, responsive and accountable manner.

Special Purpose Bodies

The government of Toronto is further fragmented by the existence of too many special purpose bodies. These are agencies of government, normally set up to administer a single function at arm's length from the ongoing administration of the government.

Traditionally, these arm's length organisations have been established for the following reasons:

- They provide an avenue for citizens, businesses and special interest groups to participate in decision-making.
- They provide operational flexibility.

- They permit regulatory or appeal bodies to make decisions independent of political involvement.
- They are administratively convenient. They provide the corporate form necessary to lease property, borrow money, hire staff, sue and be sued without the direct involvement of the elected government.
- They provide convenient ways of avoiding restrictions on access to certain external funding sources.
- They can deliver a service whose jurisdiction is necessarily broader than municipal boundaries.
- They distance governments from unpopular or risky decisions.

However, special purpose bodies can be the worst of all evils and both municipal and provincial governments have been criticized for their overuse of this form of organization. Special purpose bodies are accountable neither to the bottom line, as businesses are, nor to the electorate, as governments are. Their existence also makes it difficult for municipal councils to choose among competing priorities.

Metropolitan government is not a business, however expedient it may be to pretend that it is. The Toronto metropolis cannot be governed by business or by an unaccountable committee or special purpose body.

Like all municipal governments, the metropolitan level government in Toronto has *two* functions: a service delivery function and a political function.

As Richard Tindal wrote in a recent edition of "Municipal World":

"The service delivery role is (or at least should be) subservient to the political role. ...No matter how many or what services are provided by municipalities, their primary importance is as an expression of local choice. There would be no point, other than administrative convenience, in local governments providing services in which there was no significant local choice."

This principle is just as valid for metropolitan level government as for local area municipal government.

Metropolitan government must be by representatives who depend for their political success exclusively on meeting metropolitan-wide needs.

High Property Taxes

Municipal government in Toronto could be less expensive. Property taxes are too high for many businesses, and the cost of providing municipal services is outstripping the capacity of individual municipal councils to pay for them. There are three distinct yet interrelated reasons why this is happening:

- The property tax does not always support the right services. For example, the property tax supports General Welfare Assistance, which is an income redistribution program and which is beyond municipal control.
- The property assessment system is antiquated, unfair and incomprehensible. Inconsistent tax burdens between property classes benefit business competitiveness in some municipalities while harming it in others.
- Municipal government does not have access to an adequate range of revenue sources to ensure that needed services can be provided. The property tax is the only municipal source of taxation and property tax increases hinder the competitiveness of our businesses.

1.3 A FRAMEWORK FOR REFORM

We need changes now to deal with these problems. Metro symbolizes change. A look at the past forty years shows us clearly that metropolitan government in Toronto is a work in progress. It has been evolving and adapting continuously and there is no reason why it should not continue to do so. Any consideration of future change has to be understood in the context of this continuum.

Some of the facts of the history of metropolitan government in Toronto have been forgotten or, worse, have been wilfully distorted and ignored in pursuit of very narrow parochial interests. Those who are advocating the abolition of regional government or the replacement of democratically elected governments by unaccountable special purpose boards or commissions are ignoring both history and some fundamental truths about the nature of Toronto. They need to be reminded.

Some Basic Truths

- Even though their boundaries are seldom precise, urban regions and metropolitan areas are not products of abstract speculation; they actually do exist. Toronto exists.
- City core and suburb cannot be understood or managed in isolation. The various parts of the metropolis (city core, suburb, fringe), operate as a single entity — as single labour and housing markets, and spaces of social interaction. This social and economic integration is increasing, even as labour and housing markets become larger, more geographically dispersed and more inter-dependent.
- The economic vitality and external competitiveness of all parts of Toronto depend on combining the strengths of the whole metropolis. Markham, Brampton and Mississauga are equally part of the larger Toronto; like other “edge cities” they would not exist in their present form without it.
- A politically fragmented metropolitan area, with weak or non-existent metropolitan governance, can contribute to higher levels of social inequality and to a depressed inner city as investors, employers and residents seek out artificially low-cost locations.
- In the long run a severely depressed inner city impacts on social stability and the quality of life throughout the metropolitan area.

- The most successful urban areas, in social and economic terms, tend to be those that have achieved some form of metropolitan coordination and city core-suburban cooperation, and specifically those with some form of revenue-sharing; those where local governments have “pooled” their assets for economic renewal and collectively addressed their joint problems; and those that have managed to limit differences among municipalities in the quality of local services and living environments.

1.4 METRO COUNCIL’S VISION — WHERE WE WANT TO GO

The vision that was outlined in Metro’s strategic plan in May 1991 continues to be valid today and will continue to be into the future. This vision embodies the image of a diverse urban community that is socially, economically and environmentally healthy; in which individual rights are balanced with community interests as a whole; where all sectors and citizens are able and willing to participate as partners in the growth and sustenance of the community. A fundamental purpose of municipal government is to build and sustain the envisioned community.

For four decades, Metro Toronto has been lauded as the city that works. Delegations from other countries continue to marvel at our successful city. They look to Metro as the model of large city development, management and government; a safe and secure city; a city in which it is easy to move about from one place to another; a city with a vital, active, inhabited and, above all, recognizable centre; a city of parks and trees and thriving neighbourhoods. In short, it is an eminently liveable city. People want to live here and still come here from all around the globe.

Our vision sees these attributes preserved and protected as we move into the next phase of Toronto’s evolution. We have a history of solid achievements to build upon and there can be no more solid foundation than that.

There are a number of components that make up this vision of the future Toronto, and while many of them sound almost motherhood, in their totality they are really quite unique from an international perspective. We believe that the future of the Toronto metropolis must embody the following characteristics:

- Toronto remains pre-eminent as a strong and dynamic Canadian centre of business, finance, higher education, research and health services.
- Toronto is highly competitive with other urban regions in the global economy.
- There is a balanced economy with sufficient and diverse job opportunities.
- All residents have equal access to the diversity, wealth of opportunities, and benefits of Toronto.
- Toronto celebrates and thrives on the diversity of its people. All individuals and social groups feel a sense of ownership of Toronto’s political, economic and cultural life and have an investment in the future.
- There are common goals for Toronto.
- Strong communities and neighbourhoods provide their members with identity, a sense of belonging, and support.
- A vibrant city core remains the clear focal point for Toronto and is a source of identity and pride for all residents.

1.5 REALIZING THE VISION

That, then, is where we want to go. The challenge, of course, is to realize our vision. We propose that this can be done by pursuing specific goals in relation to:

- Toronto government functions;
- Toronto government finance; and
- Toronto government structure.

Toronto Government Functions Assumptions

- *The role of municipal government is service delivery and advocacy on urban issues, including speaking out on provincial and federal policies that affect the urban environment.*
- *It is necessary to integrate some services across Toronto to ensure effective and efficient government.*
- *The two-tier system of municipal government in a large urban region provides a balance between meeting people's local needs and region-wide planning requirements.*
- *A new relationship with the province must be established.*

- Services where the per unit cost declines as the quantity of the service increases, such as sewer and water services, should be provided by metropolitan-wide government to exploit the economies of scale.
- The social costs and responsibilities of growth and change in the entire Toronto region, particularly with respect to the most disadvantaged in society, must be shared. The fact that the poor may be disproportionately concentrated in a few jurisdictions does not absolve other jurisdictions in Toronto from sharing the social burden. These poor belong to the entire urban region.
- Cultural and leisure facilities, and the quality of urban life generally, are now prime determinants of urban economic growth. Such facilities are almost all metropolitan rather than local in their clientele. Their impacts and the costs of supporting them should be borne across the entire metropolis.

Goals for Toronto Government Functions

- There should be the capacity to plan for the whole urban region in order to meet the needs of Toronto as a whole as well as those of its component parts. Some form of metropolitan-wide perspective, direction and policy coordination is essential.
- There should be clear assignment of responsibilities for urban services. They must make sense and be unambiguous.
- The lowest level of government that can provide a service efficiently should have the responsibility, as long as this does not result in inequities in levels of service to communities in different parts of Toronto.
- Efficiency and equity must be defined over all of the Toronto metropolis, not over some small arbitrary part of it.
- Services with large "spillovers", such as transit, transportation and emergency services, should be provided at a metropolitan-wide level.

Toronto Government Finance Assumptions

- *The appropriate use of the property tax to fund municipal services enhances municipal government's accountability to the taxpayer and promotes the public's understanding of how services are funded.*
- *There is never an ideal time to implement reassessment and delay makes the task more difficult over time. Reductions in the amount of the tax bill through other reforms such as welfare and education funding, will assist the implementation of assessment reforms.*

Goals for Toronto Government Finance

- Municipal government must be able to pay for the services for which it is responsible.

- Local autonomy: To respond to local demands, municipal governments should have access to locally generated revenues such as property taxes and user fees.
- Municipal government should have a stable source of revenue in order to maintain stable levels of service.
- Provincial grants must be equitable and predictable across the metropolis.
- Taxes should be efficient. An efficient tax is one that minimizes the negative impact of the tax on economic decisions made by individuals and businesses.
- Taxes should be accountable. Taxes should be designed in ways that allow taxpayers to understand what they are getting for their money. In this way, policy makers are held accountable by taxpayers for the cost of government.
- Taxes should be fair. Wherever possible, people should pay for services according to the benefits they receive. People receiving similar services should pay similar taxes or charges.
- Taxes should be administered fairly. A fair tax that is badly administered can become an unfair tax. People in similar housing should pay similar taxes.
- Tax reform must ensure that the core of Toronto remains healthy.
- Municipalities should have access to additional sources of revenue, including user fees, in order to fund increasing service responsibilities without further burdening the property tax.

Toronto Government Structure Assumptions

- *The two-tier system of municipal government is a proven success.*
- *There is a need for both local delivery of some services as well as metropolitan-wide delivery of other services.*
- *Direct election to the metropolitan level is important to the two-tier system.*
- *There are no benefits to be derived from going back in time.*
- *The metropolitan government cannot be any smaller territorially than it is now.*
- *Abolition of the existing Metro and regional councils, without replacing them with an accountable, directly elected body, would further fragment an already unacceptably fragmented system of metropolitan governance.*
- *Changes cannot be made to the Metro government alone without also looking at the surrounding regional governments.*
- *Special purpose bodies are part of the problem, not part of the solution.*
- *Government can cost less by reducing the total number of councillors and councils.*

Goals for Toronto Government Structure

- All municipal government functions should be understandable and accountable. They should be delivered by units of government that are directly accountable to the electorate. Citizens should know who is in charge and should be able to influence directly through the ballot box the people who are responsible.

- The Toronto metropolis, as both market area and social space, should be “managed” as a single entity to facilitate economic growth, efficiency and competitiveness in world markets, the coordination of public service provision and the sharing of the social costs and benefits that flow from urban development.
- The geographic size of the management area should conform to the dominant market areas (e.g., labour markets, real estate areas).
- Metropolitan level services should appear to be “seamless” — boundaries should be invisible to the public. For example, roads, water and emergency services must be consistent from one part of the metropolis to another.
- Most special purpose bodies that exist should be eliminated and no more should be created.

PART 2: A PROPOSAL FOR CHANGE

2.1 WE NEED CHANGE ON THREE FRONTS

We have pointed out the complex array of difficulties confronting the Toronto region. The current approach to the provision of region-wide services is fragmented, uncoordinated and, quite simply, out of date. We agree that there is a need for reform of the structure of regional government in Toronto.

However, the effectiveness of changes to the structure of municipal government will be limited unless change also occurs on two other fronts. The tight control that the province exerts over so much of municipal government’s day to day business must be relaxed. In addition the antiquated municipal finance system must be updated.

In short, the province must reform the financial and legislative frameworks within which municipal government operates so that Toronto area municipal government has the tools to do its job.

We urge the provincial government to place top priority on the development of a new financial framework and a new legislative framework. Changes to municipal government structures need not be rushed. Rather, they should be phased in carefully and cautiously in keeping with the continuous evolution of metropolitan government in Toronto.

2.2 A NEW FINANCIAL FRAMEWORK

The creation of a single regional level of government for the Toronto area will help to achieve many of our municipal finance goals.

A single government with taxing authority for all region-wide services will enable taxing arrangements and provincial grants and funding to be consistent and equitable across the Toronto region. Costs and benefits of region-wide services will be shared more fairly and appropriately. Current spillover problems will be resolved.

However, if the Toronto regional economy is to remain competitive, the municipal finance system needs to be reformed. Some components of the existing approach to municipal finance are relics of a system that is decades old. They no longer make any sense at all.

Changes are needed in the way in which municipal responsibilities are financed in general in Ontario. A new financial framework is necessary to ensure that municipal government in the Toronto region has the financial tools to provide goods and services to its taxpayers in a sustainable and accountable fashion.

We are proposing that the municipal financial framework be reformed:

- *To ensure that services that should not be funded from the property tax are funded from other revenue sources.*
- *To permit municipalities access to alternative revenue sources to take pressure off the property tax*
- *To ensure that the assessment base upon which property taxes are set is fair.*

Use of the Property Tax

The province's economic statement in July, 1995 provides a good illustration of how vulnerable municipalities are to provincial funding decisions.

The province and the municipal sector should return to the negotiating table to complete a disentanglement agreement.

This agreement must establish which services are best funded from the property tax. Municipalities should assume a greater financial responsibility for these services. Services that should more appropriately be funded by the province should be removed from the property tax.

For example, programs that redistribute income to individuals or that are designed to stabilize the economy fall within the jurisdiction of the provincial and federal governments. It is inappropriate for programs such as General Welfare Assistance to be funded from a property tax. Many studies have reached the same conclusion.

Following the disentanglement of provincial and municipal financial responsibilities, it should still be possible to have municipal delivery of a provincially funded service like General Welfare Assistance, where this makes sense. In such cases a fee for service agreement can be established. In other words, the province would contract out the service to the municipality.

Provincial funding in several areas, for example, transit and roads could be reduced and the municipal level be allowed much greater control over these services.

Disentanglement of provincial and municipal funding responsibilities could be phased in

gradually during the provincial government's current term of office. This will enable municipalities to adjust to changes in the scope of their financial responsibilities.

We propose that the exchange begin with the transfer of full financial responsibility for General Welfare Assistance to the provincial government.

The disentanglement of provincial and municipal funding responsibilities will make it easier for municipal governments to be accountable to their taxpayers. It will also make municipalities less vulnerable to the effects of changes in provincial funding.

Municipal Revenue Sources

We are proposing that gasoline, hotel and telecommunication taxes, lotteries and access to a share of the provincial income tax be considered as potential alternative revenue sources for municipal government in the Toronto region.

We also support the Fair Tax Commission's recommendation that more effort be made to charge consumers directly for their consumption of specific municipal services. The application of user fees to waste collection and waste disposal services should be explored further.

Access to alternative revenue sources will allow municipalities to assume greater financial responsibility for selected services, so reducing their dependence on the provincial government, without placing too much pressure on the property tax, the only source of municipal taxation.

Additional revenue sources will assist municipalities to fund adequate levels of service and provide greater flexibility to cope with changes in provincial funding.

There are many examples of diversification of municipal revenue sources in cities in the United States and in other parts of Canada. In British Columbia and Manitoba municipalities have access to a share of provincial income, sales and gasoline taxes.

We support a review of the business occupancy tax.

Many, including the Fair Tax Commission, have called for the abolition of the business occupancy tax in its current form. However, the business occupancy tax represents a large revenue source that cannot easily be replaced by any other single source of municipal funding.

Several alternatives to the business occupancy tax have been proposed. These include payroll taxes, rolling all five separate business occupancy rates into one, and merging the business occupancy tax into the realty tax with the property owner assuming responsibility for its collection.

The advantages and disadvantages of all of these alternatives, including their impact on business competitiveness, should be reviewed.

Property Assessment

The single most important component of the municipal finance framework is the property assessment system.

A fair assessment base and consistent assessment and taxation practices are critical to ensuring that tax burdens are set fairly among properties, between property classes and among municipalities across the region.

Currently the assessed values of properties in and around Metro Toronto resemble a patchwork with no consistent valuation year and inconsistent tax burdens between property classes. Assessment reform is clearly necessary.

We are well aware of the lack of agreement on the most appropriate basis for assessing property. Two principal methods of property assessment have been proposed. These are market value and unit value assessment. Regardless of the method used, there will always be winners and losers.

The removal of General Welfare Assistance from the property tax base and access to alternative revenues would reduce demand for revenue from the property tax. This would help to lessen the impact of assessment reforms on individual property owners. Assessment reform could, therefore, be relatively more manageable and tolerable.

We encourage the GTA Task Force to review both the market value and unit value methods of property assessment, keeping the following comments in mind.

Considering market value:

In order to address the tax burdens hidden within current assessed values or to “level the assessment playing field”, the assessment system should produce fair and consistent market values.

Municipalities could implement full market or unit value assessments, but be provided with the flexibility to apply different or variable mill rates to different classes of property, as opposed to the existing two mill rates for residential and non-residential classes. This flexibility would enable municipalities to address their own particular taxation equity problems, while making any variation in property class tax burdens visible to taxpayers and making councils accountable for this variation.

This flexibility, combined with phase-in mechanisms to limit any tax increase to a specified amount in any given year, would cushion the impact on taxpayers. Provision for a long phase-in period is essential.

Provincial guidelines regarding variations in mill rates between property classes may be needed to prevent unwarranted distortions in average mill rates between municipalities.

Phasing and averaging techniques could help to counteract the apparent volatility in market values, which are primarily driven by the land value component of the property. These techniques are used in British Columbia and include annual assessment updates to smooth out fluctuations in estimated market values.

In addition, the basis for assessing some rights-of-way properties for utilities and railways needs to be modified to reflect the limited use of some of these lands.

Considering unit value:

Unit value assessment establishes assessments based on size of land and building. The Fair Tax Commission proposed a version of unit value that introduced locational factors, making it similar to market value. The City of Toronto proposed that values be based on a property's

physical dimensions alone with limitations on tax increases.

There is currently little application of unit value assessment for property taxation purposes. Therefore, it is difficult for us to determine the viability of this system as a basis for property assessment.

The administrative details of unit value need to be developed and detailed analysis of the method's impacts is required.

We support the study that the GTA Task Force is undertaking to determine the feasibility of a unit value system in the GTA.

2.3 A NEW LEGISLATIVE FRAMEWORK

We are proposing municipal government reforms that we believe will meet the specific needs of the Toronto region. However, whatever model is put in place will be even more effective at positioning the Toronto region as a competitive force if the municipal level of government has the tools and flexibility to carry out its responsibilities and to respond to new situations in a rapidly changing environment.

We are therefore joining with the Association of Municipalities of Ontario and others in calling for reforms to the legislation that establishes the relationship between the provincial and municipal governments.

Provincial and municipal roles must be distinguished more clearly in legislation. The province should focus on the "bigger picture" issues like broad policy and legislative matters and on the social and economic health of the province. Municipalities should focus on service delivery.

We encourage the GTA Task Force to consider mechanisms to provide municipalities with certainty and stability in their dealings with the province. These mechanisms could include the use of binding agreements between the province and a municipality to limit the extent to which the province can make arbitrary and unilateral changes to municipal funding arrangements and legislative powers without the consent of the municipality.

Municipalities should have the authority to plan and manage the services they provide and the resources to implement them properly. Municipalities need to be accountable for the manner in which they discharge their service responsibilities. They also need the flexibility to adapt to new opportunities, demands and contingencies.

Municipal services should be delivered within a framework of provincial interests. This means provincial expectations and requirements need to be clarified and defined through goals, objectives and policy statements. In this way municipalities will be able to deliver services in a flexible and responsive manner. There is no need for the province to micro-manage municipalities by routinely reviewing and approving decisions about municipal services.

Municipal legislation should be sufficiently permissive to allow municipalities to take any action necessary to carry out the purposes of the municipality.

In order to meet the needs of their inhabitants and sustain their communities, municipalities should be given general authority to act on any matter not exclusively assigned to any other government or specifically excluded from municipal jurisdiction. This would eliminate the need to prescribe in legislation the specific things municipalities may or must do and how they should do them, which stifles flexibility and innovation.

Municipalities need the statutory tools to implement innovative methods of service delivery, including joint ventures, public-private sector partnerships and inter-municipal service agreements.

Municipalities should have the flexibility to reorganise their own administrative structures when it makes sense to do so. For example, a municipality should have the flexibility, in most situations, to dismantle a special purpose body and incorporate its functions into the administrative structure of the municipal corporation. In cases where citizen involvement in operational decisions makes sense, the use of public advisory committees would eliminate the rationale for special purpose bodies and their separate organizations, bureaucracies and costs.

Consideration should be given to allowing municipalities to change the number of wards and councillors, alter ward boundaries and change ward names, subject to provincial requirements concerning minimum council size, basic principles like representation by population and direct election, and public consultation.

Our proposals are intended to simplify the relationship between the provincial and municipal levels of government. We want government in the Toronto region to be easy for taxpayers to understand so that they know whether they are getting a good deal.

In fact, we would welcome the opportunity to work with the provincial government to identify ways of making government at all levels less intrusive in people's lives.

2.4 A REVITALISED REGION

Some have pointed out the remarkable similarity between the situation in the Toronto metropolitan area in the early 1950s and the one confronting us today. In 1953, the City of Toronto was the inner city and Metro was the urban region. Today it is Metro that is the central city and the urbanised portions of greater Toronto are the urban region.

In the early 1950s there was a pressing need to plan for and manage the tremendous growth that was occurring in the urban region. That need is present again now in 1995.

In 1953, the provincial government took a bold and highly successful step forward with the creation of the Municipality of Metropolitan Toronto and effective two-tier municipal government in the Toronto urban region.

We are proposing an equally bold step today: the dismantling of the existing five upper tier governments in the Toronto region and the creation instead of a coherent, effective regional level of government for the whole urban region.

Only by revitalising the two-tier system in this way will we be able to meet the challenges that face us today and into the next millennium.

Challenges Facing the Toronto Region

Approaching the 21st century, the Toronto region now faces a whole new set of challenges.

Rapid economic and social change is a fact. The population of the Toronto region is growing and changing. In 1971 there were 2.9 million people resident here; in 1991, the combined population of the five Greater Toronto Area regions had reached 4.2 million — a 45 per cent increase. The region continues to grow by 100,000 people each year, and its population is expected to reach 6 million by the year 2011. The region's growth has spilled across the boundaries of five regional municipalities. This scale of growth is on a par with the fastest growing cities in North America, including Los Angeles and Atlanta. Our society is ageing, households are changing and the way we work is changing. New kinds of businesses and new ways of doing business are continuously emerging.

The communities of the Toronto region are highly interdependent. The region is a single economic market. When someone looks for a job, wants to buy a house, or decides where to have a picnic, municipal boundaries are not the first consideration. Wherever businesses are located, they draw their labour force from throughout the region. Natural ecosystems, such as the watersheds of our rivers, extend from Lake Ontario to the Oak Ridges Moraine. Those facilities that give Toronto status as an international city, like the airport, the waterfront, the Metro Zoo, performing arts theatres and the Skydome, could not survive unless they could draw upon people from throughout the Toronto region.

It is widely acknowledged that the long-term economic health of the whole Toronto region requires a healthy downtown core. Internationally, Toronto's downtown core is an emblem of the region's economic and cultural vitality. Even as other parts of the region develop their own city centres, businesses and residents in these centres draw on higher order services — banking services, tax advice and international financial services — that are located in the downtown core. Most of the centres of learning, specialized health services and research facilities are located here. Maintaining a strong and vibrant downtown core will require region-wide support and resources.

The challenge now is to do more with fewer resources. We have to come up with new and innovative ways to accommodate rapid growth and change at a lower cost. The task of building a metropolis that maintains a high quality of life for its residents is more important than ever, since this is one of the Toronto region's most significant competitive advantages in North America.

Deciding where to invest scarce dollars is crucial. There are so many important needs — education, environmental protection, water supply, sewage treatment, transportation — all competing for limited resources. Decision making on the allocation of funds is fragmented between different bodies, making it difficult to rationalize investment for the maximum benefit to the community as a whole. Fragmented planning and decision making ignore the collective interest of the whole region, resulting in people and organizations working at cross-purposes.

The mayor of Louisville, Kentucky has been quoted as observing succinctly that:

"You can't be a suburb of nowhere."

This interdependence of city and suburb is borne out by research by Professor H. V. Savitch and colleagues at the University of Louisville's College of Business and Public Administration that also exposes as a myth the idea that city and suburb are or can be self-sufficient. Their study of fifty-nine metropolitan areas in the United States found strong statistical evidence that central cities and their surrounding regions are highly interdependent and that suburbs benefit when their central cities are densely populated; suburbs stagnate when they surround cities that are poor and losing population.

The research revealed that 61 per cent of suburban income can be attributed to the density and income of the central city. For every \$1,000 difference in per capita income in the central city the suburbs stand to gain or lose more than \$600.

Professor Savitch concluded, in an article in "Economic Development Quarterly", that:

"Suburbs that surround healthy cities tend to be healthier than those that surround sick cities. Suburbanites may feel they can shield themselves from urban decline, but like a hole wearing at the center of a rubber raft, everybody is likely to ride a little lower in the water. Those at the center may be at the lowest incline, but hanging onto the periphery may not be the wisest alternative. Self-sufficiency at the periphery is not a sufficient defense. The challenge of repair is as much for those outside the center as for those in it."

The statistical evidence also supported the proposition that urban areas with a greater capacity to share their common resources and unite their populations do better than more highly fragmented areas.

The people of the Toronto region are now faced with an important choice. They can take a step backwards to a time when the conflicting agendas of local municipalities were a major barrier to the economic health of the whole region. Alternatively, they can update a system that has been successful in the past so that it will be able to manage the challenges of the future.

We believe that the course that makes most sense is to modernise the metropolitan level of government so it once again takes in the true extent of the Toronto region's urban, economic and environmental boundaries.

This approach makes so much sense. It is the obvious next step in the evolution of the government of the Toronto metropolitan area.

2.5 BOUNDARIES

We believe that the area commonly referred to as the GTA — the combined territory of Metropolitan Toronto and the regions of Halton, Peel, York and Durham — is not a suitable area of jurisdiction for Toronto's regional level of government.

We propose more appropriate boundaries which include all or part of 21 existing area municipalities, 45 per cent of the total GTA land area and more than 90 per cent of the GTA population. These boundaries are shown in red on Map 2, following page 14.

Our proposed boundaries will support the key responsibilities of a regional level of government to plan and service the region's economic and urban growth while protecting its natural environment. The boundaries reflect the economic, urban and environmental boundaries that identify the true scope of interdependencies between communities in the region.

Criteria

We applied three important criteria in determining boundaries for the Toronto region.

1. As far as possible, the boundaries include those areas which form the region's housing and labour markets.

The Toronto region housing and labour markets clearly extend into Halton, Peel, York and Durham Regions. Growing numbers of Toronto-region residents live in one community and commute to work in another part of the Toronto region. Residents in these communities benefit most directly from access to region-wide facilities and resources, Pearson Airport, the Metro Zoo, the Skydome, performing arts theatres, the waterfront and the international profile of the downtown core.

2. Existing and planned major urban areas are included to ensure that the region can be planned and serviced in an efficient and effective manner.

The shaded area on Map 2 clearly shows how urban growth in the Toronto region has now spilled over regional boundaries, forming a nearly continuous urban area along Lake Ontario west into Burlington, east into Oshawa, northwest into Brampton and Vaughan, and north into Richmond Hill and Markham.

Over 90 per cent of the GTA population lives in this continuous urban area and the vast majority of the urban growth planned for the GTA over the next 20 to 30 years will take place here.

This area shares major urban service systems, including road and transit networks and piped water and sewage treatment systems based on Lake Ontario. Urban growth decisions made on the suburban edges of this area will have the greatest effects on demands for urban services and on the long term health of the urban core.

3. The boundary respects the natural boundaries of the Greater Toronto Bioregion and its watersheds.

Map 3, following page 14, illustrates how the Toronto region is framed by three significant natural systems: the Lake Ontario waterfront to the south, the Niagara Escarpment to the west, and the Oak Ridges Moraine to the north.

All three have been identified for special protection by the provincial government. The Crombie Royal Commission on the Future of the Toronto Waterfront referred to the area bounded by these three environmental resources as the Greater Toronto Bioregion.

Within the bioregion, the watersheds of several river systems drain south to Lake Ontario, ignoring numerous municipal boundaries. Urban growth and servicing decisions made in one part of the Greater Toronto Bioregion affect the environment for all residents of the bioregion.

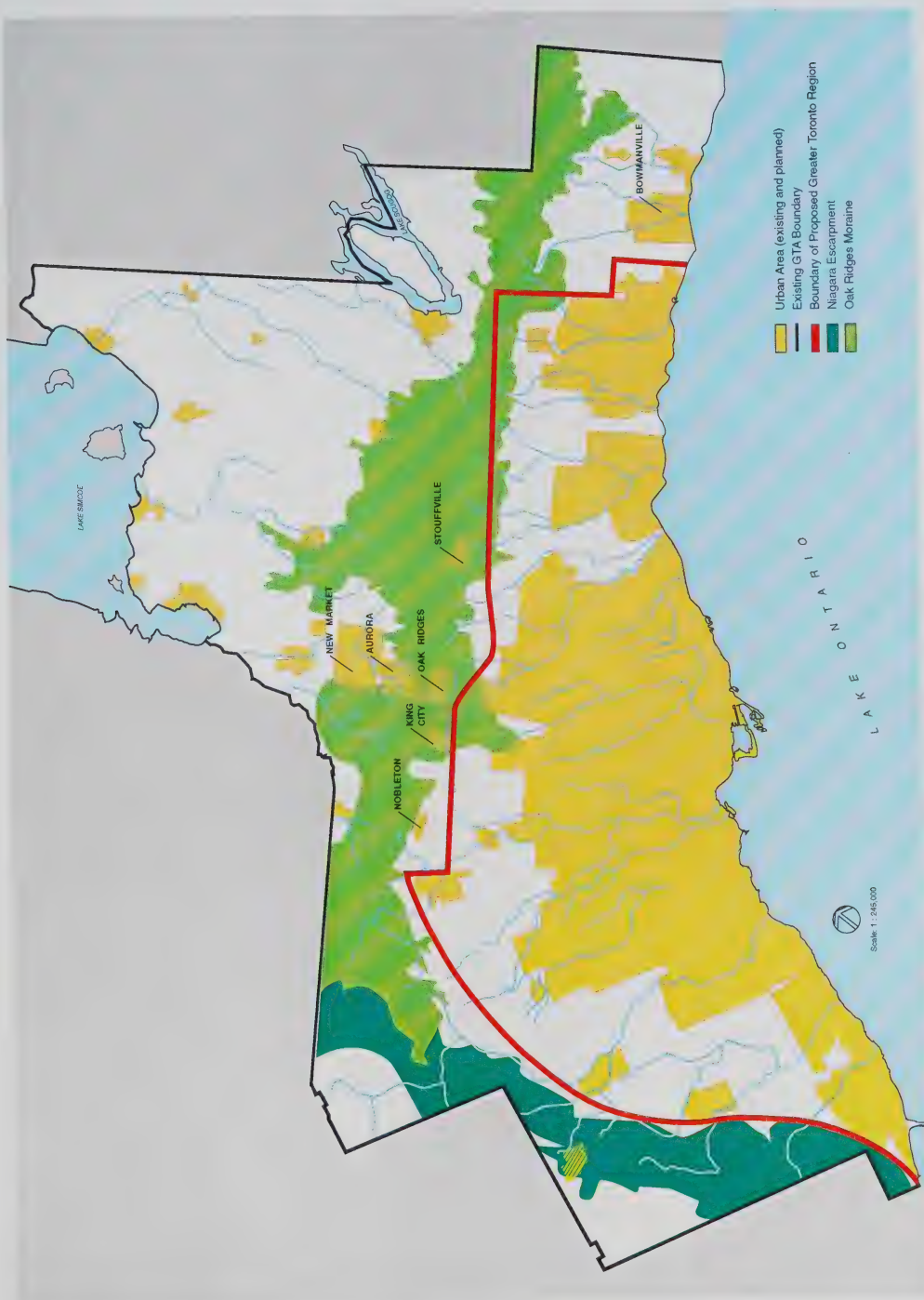
We have identified the Niagara Escarpment and the Oak Ridges Moraine as the western and northern boundaries of the Toronto region.

There is a high level of consistency among our three criteria as they apply to the southern, western and northern boundaries of the Toronto region. Lake Ontario, the Niagara Escarpment and the Oak Ridges Moraine are significant region-wide resources requiring protection from advancing urban growth.

Within the area framed by these environmental resources are major urban areas either existing or planned for development, functioning as part of the Toronto economic market, and sharing watersheds within the Greater Toronto Bioregion.

Proposed Boundaries

We are proposing that the legislatively defined boundary of the Niagara Escarpment planning area and a similar planning boundary for the Oak Ridges Moraine be used to exclude these natural environments completely from the Toronto region, thus stating clearly that they are to be protected permanently.



As a result, our proposed boundaries do not include the smaller urban areas located near the edge of the Niagara Escarpment and Oak Ridges Moraine: Nobleton, King City and Stouffville.

Nor do they include the northern urban areas along Yonge Street: Oak Ridges, Aurora and Newmarket. Substantial portions of Oak Ridges and Aurora are located on the Oak Ridges Moraine, while Newmarket is located largely to the north of the moraine.

To the east there is less consistency among the three criteria. Lake Ontario and the Oak Ridges Moraine provide clear boundaries to the south and north of this area, but there is no similar defining feature indicating an eastern boundary. *We are proposing that the eastern boundary of the Toronto region be located to the east of the Oshawa/Whitby urban area, including the adjacent Courtice urban area.*

The Oshawa/Whitby urban area has a population of about 200,000 people. Economically, Oshawa is relatively more independent than most communities in the GTA, being home to a sizeable automotive industry. Nevertheless, the Oshawa/Whitby urban area as a whole is clearly part of the Toronto region housing and labour force markets.

Whitby, Oshawa and the Courtice urban area, located immediately adjacent to Oshawa's eastern boundary in Clarington, share water supply and sewage treatment systems and have a history of sharing water supplies with the Pickering/Ajax area. A relatively narrow strip of rural land separates Oshawa/Whitby from Ajax/Pickering.

Our proposed eastern boundary excludes the Bowmanville urban area in Clarington. Bowmanville is on the outer edge of the Toronto economic market area. It is separated from the major urban areas of Oshawa and Whitby by an extensive rural area, within which is located the Darlington nuclear generating station. Located near to Lake Ontario, the Bowmanville urban area has developed on separate water and sewage treatment facilities.

The application of economic, urban and environmental criteria points to a Toronto region that has only 45 per cent of the GTA's land area, but over 90 per cent of the GTA's

population, totalling approximately 4 million people.

These boundaries include all major sectors of the Toronto region economic market, the GTA's existing and planned major urban areas, and the region-wide transportation, water and sewage systems that service those areas. The boundaries also coincide with the environmental boundaries of the Greater Toronto Bioregion and its watersheds.

Our proposed boundaries will enable a regional government to plan and service the region's economic and urban growth while protecting its natural environment.

Municipal Consolidation

All or part of 21 existing area municipalities are included within the proposed greater Toronto region. We propose that they be consolidated into 15 municipalities with the following populations.

<i>Municipality</i>	<i>1991 Census Population</i>
<i>Burlington</i>	<i>125,912</i>
<i>Oakville</i>	<i>114,670</i>
<i>Halton Hills/Milton</i>	<i>49,978</i>
<i>Mississauga</i>	<i>463,388</i>
<i>Brampton/Part of Caledon</i>	<i>252,566</i>
<i>Vaughan/Part of Richmond Hill</i>	<i>134,030</i>
<i>Markham/Part of Richmond Hill</i>	<i>199,153</i>
<i>Etobicoke</i>	<i>309,993</i>
<i>North York</i>	<i>562,564</i>
<i>York</i>	<i>140,525</i>
<i>East York</i>	<i>102,696</i>
<i>City of Toronto</i>	<i>635,395</i>
<i>Scarborough</i>	<i>524,598</i>
<i>Ajax/Pickering</i>	<i>125,981</i>
<i>Oshawa/Whitby</i>	<i>204,850</i>
<i>Total Region</i>	<i>3,946,299</i>

Consolidating area municipalities in this way involves merging those parts of Halton Hills (including Georgetown) and Milton that are included within the new region; merging the southern part of Caledon (including Bolton) and Brampton; merging Ajax and Pickering; merging Oshawa, Whitby and the small portion

of Clarington that is included within the new region; and absorbing the part of Richmond Hill, that is included in the region, into Vaughan and Markham.

The proposed area municipal boundaries within a greater Toronto region are shown on Map 4, on the following page.

2.6 FORM OF REGIONAL GOVERNMENT

Effective Regional Government

Among the many stakeholders providing input to the GTA Task Force, a consensus is forming about the need for a mechanism to manage growth, coordinate infrastructure development and provide certain services across the Toronto region as a whole.

We propose that regional level functions be carried out by a multipurpose regional government in the Toronto area.

We have already outlined the problems created when region-wide responsibilities are fragmented among various different governments and agencies. Only a multipurpose regional government will be able to evaluate and balance the many regional priorities that increasingly compete for scarce resources.

A multipurpose government can coordinate the planning and management of growth of the urban area. For example, population and employment forecasting, the development of infrastructure like water and sewer pipes and main roads, and the provision of basic regional services such as transit all affect each other and should be coordinated by one multipurpose government to ensure effective and efficient investment of taxpayers' dollars.

Some have proposed that the regional level of government be reduced to little more than a coordinating committee with no authority to levy a charge for regional services and no executive authority to carry out its decisions or ensure that regional services are in fact provided. Such an arrangement is unacceptable. It violates fundamental principles of responsibility, accountability and effectiveness.

The regional level of government, like all governments, must have the capacity to deal with matters within its jurisdiction. This means it must have both revenues and the power to make and act upon decisions.

Without executive authority, the regional government will effectively be powerless to act. In other words there would be no regional level of government. If that is truly what those advocating a powerless greater Toronto coordinating committee or mayors' committee want, their proposals betray a parochialism and disregard for the competitiveness and quality of the Toronto region as a whole. This attitude actually underscores the need for an effective and active regional government.

Accountable Regional Government

All municipal government functions should be delivered by units of government that are directly accountable to the electorate. We believe strongly that any changes to the structure of municipal government in the Toronto region should respect the basic democratic principle that those who make decisions in the delivery of services be held accountable for those decisions through direct election.

We are proposing that the governing body of the Toronto region be a Greater Toronto Council made up of representatives elected directly and exclusively to that body.

Former Ontario premier John Robarts noted the need for direct election to the metropolitan level of government in his 1977 Royal Commission report. There has been direct election to Metro Council since 1988.

Direct election of Metro councillors has enabled them to devote their full attention to issues of regional growth management and infrastructure provision. These are important issues with huge implications for investments of taxpayers' money and the overall economic competitiveness of the region.

We learned well before 1988 that these matters cannot be tackled on a part-time basis by appointed delegates from other municipal councils who depend for their political success on how they perform at other councils.

It is interesting to note that it took a directly elected council to develop Metro's first strategic

plan. It is unlikely that an indirectly elected council would have been able to put regional interests first and resist the previous provincial government's pressure to invest immediately in four subway lines. In fact, Metro Council was able to weigh in the balance the benefits of the subway lines, competing capital investment needs, and the property tax increases that would have been required to afford all four lines.

Some have argued that many residents still do not know or care enough about the regional level of government. They say that there are too many acclamations to Metro Council despite direct elections. It is important to put these claims into perspective.

Directly elected councillors have had just six years to raise the profile of a level of municipal government that was conveniently buried by the local area municipal councils that controlled it for the previous three and a half decades. Seen against these odds, direct election to Metro Council has been remarkably successful, in a relatively short period of time, at raising taxpayers' awareness of regional issues and choices. We should never forget that it is difficult to hold accountable an invisible government.

We do not think that, because people are sometimes slow to exercise their democratic rights to vote or run for political office, they should be stripped of those rights. Should all elections to municipal councils be eliminated because of low voter turnout? We do not think so. Democracy is not served by taking the vote away from people.

Streamlined Regional Government

Representation by population must be one of the fundamental principles of the model developed for the new Greater Toronto Council.

It is possible to adhere to this principle and to reduce the number of people currently sitting on regional level councils by 80 per cent.

At present a total of 134 people sit on Metro, Halton, Peel, York and Durham councils. This number includes five regional chairmen and thirty Mayors. Clearly there are a lot of chefs in the regional kitchen — and as a consequence a great many recipes all needing many of the

same ingredients. Only the 28 Metro councillors are elected exclusively to the regional level and depend for their political success on how they deal with regional level issues. Yet all 134 politicians are paid for sitting on regional councils.

We are proposing that the Greater Toronto Council have about 26 members elected on a ward by ward basis.

A regional council of this size, or possibly even smaller, is workable. There would be approximately one regional councillor for every 150,000 people. We have suggested wards containing 150,000 people by way of illustration. If the wards were smaller, say 100,000 population, approximately 40 members would be elected to the regional council.

Clearly the size of the Council is affected by the way in which the wards are defined. In defining wards, a balance will have to be struck between the desired size range for the council and the practical aspects of running for election and representing citizens in wards of different sizes. Simply put, it costs candidates more money to run for election in a larger ward and to maintain close contact with constituents in a larger ward.

Should the province decide to retain the existing five regional governments, we propose that Metro Council be reformed along the lines just described. The principle of one councillor per 150,000 population would result in a council of fifteen members, down from the present thirty-four. If the six mayors continued to sit on Metro Council, the council would still have almost 40 per cent fewer members than at present.

Efficiency and democracy can sometimes be uneasy partners but we caution against abandoning democracy at the level of the urban region.

The City of Mississauga has proposed that, instead of a regional government, a special purpose body — a Greater Toronto Area Services Commission — be set up to coordinate regional issues. This body would be run by the mayors and the province and the mayors would not be bound by their councils. Therefore, there would be no way for residents to hold the mayors accountable. Provincial involvement in Mississauga's proposed structure would also

remove decision making even further from local citizen control.

By comparison, our proposed Greater Toronto Council places control over regional choices firmly in the hands of the people most affected — the people who live in the region. Our proposals also ensure that all residents in every part of the region will be represented on the regional council.

2.7 REGIONAL GOVERNMENT RESPONSIBILITIES

We have maintained throughout this report that it is not the two tier system that is in need of repair. The problem is the splitting of responsibility for region-wide services among five separate regional level governments. That is why we have proposed the creation of a single Greater Toronto Council to replace the existing Metro, Halton, Peel, York and Durham councils.

It is important to remember that the division of responsibilities between the two tiers of municipal government in the Toronto area did not come about by accident. The original two tier model of government in Metro Toronto was not an arbitrary creation. Its formation was bound by a set of principles.

Regional responsibility for service provision makes sense in the following situations:

When it is necessary to coordinate a service or function over the whole region to ensure that the service is provided effectively in all parts of the region.

When there are cost savings and when quality is improved by having large scale operations; in other words, when there are economies of scale.

When it is important to share the cost of the service across the area rather than having each area municipality pay for its own service.

When it is important that all residents throughout the region have access to a common standard of service.

We agree with the principle that direct service to residents should be the responsibility of the local area municipalities wherever it makes sense. We also think that, on the whole, the original rationale for the allocation of upper and lower tier responsibilities is still sound.

Regional Planning

The need for the capacity to plan for balanced growth and infrastructure of the Toronto region is one of the fundamental reasons why reform of municipal government is required. It stands to reason, therefore, that regional planning must be a key function of the proposed regional government.

Let us be clear about what we mean by regional planning. The regional government should be responsible for the preparation of a regional structure plan that sets out the broad distribution of population and employment and the location of the major infrastructure investments needed to support forecast population and urban growth.

The specific land use policies in area municipal official plans would have to be consistent with the broad policies and goals of the regional plan, much as at present.

If the regional plan sets out regional policies and interests clearly, and if the regional government has the authority to approve area municipal official plans, there is probably little reason to retain any regional responsibility for development control. Thus, current regional development control functions could be devolved to the area municipalities. This would produce a more rational and cleaner division of planning responsibilities between the regional and area municipal governments. It would also remove a major cause of friction between the two levels of municipal government.

The regional role would focus on strategic planning supported by a strong research capacity.

Currently, all regional level governments in Greater Toronto, except Metro, have the authority to approve area municipal official plans.

Some have suggested that the regional government should have no planning responsibility at all or, at most, should be limited to providing unenforceable strategic guidance.

There has been considerable research into the attempts to coordinate strategic and infrastructure planning in England's metropolitan areas since the abolition of metropolitan governments in that country in 1986. The research has pointed to the weakness of an approach based on voluntary cooperation.

It appears that local area municipalities are fairly easily able to agree on the analysis of problems. There is much less success when it comes to policy formulation and action. At that point, it appears that parochial self-interest kicks in and common regional interests are kicked out.

One study, by Steve Leach of the University of Birmingham, concludes that:

"Strategic guidance is no substitute for effective structure planning.... In relation to the strategic aspects of...planning (including economic development), evidence from the...post-abolition research...indicates the need for an integrated planning/executive capacity for wider territorial areas, if...planning [is] to be carried out effectively."

Economic Development

Economic development activities should be coordinated across the Toronto region as a whole. The region must be marketed with one voice if it is to compete successfully with other urban regions internationally.

Currently, the various regional and area municipal governments within the Toronto region employ some sixty to seventy economic development officials among them. Many of these are skilled staff who provide a range of valuable functions. However, none focuses on the entire region.

As a result, their efforts are diffused and lack depth. Taxpayers' dollars are being wasted by the tug-of-war as one municipality within the Toronto region tries to lure economic development away from another. We do not believe that the regional economy can be well

served by so many economic development offices working for separate jurisdictions.

A consolidated regional economic development function will play a valuable role in providing research and coordinating a regional economic development strategy.

Water Purification

At present, in Metro and York Region, the regional level purifies water and distributes it on a wholesale basis through trunk watermain to the area municipalities. The area municipalities provide the water on a retail basis to businesses and residents within their boundaries. In Halton, Peel and Durham, the regional governments are responsible for all aspects of water supply. Both approaches work.

Regional purification takes advantage of economies of scale — water for the whole of Metro and southern York Region is purified at just four filtration plants. The location of the treatment plants is based on geography and proximity to Lake Ontario and not on area municipal boundaries.

There are already existing and planned trunk main linkages for water supply between Metro and the regions of Peel and York. Therefore, the system lends itself to consolidation under a new regional government.

Water Pollution Control

Responsibility for the treatment of wastewater and sewage should certainly remain with the regional level of government. There are clear economies of scale in this area. For example, all of Metro's wastewater and sewage is treated at just four treatment plants.

This system takes advantage of the north to south flow of water along the natural watersheds within the region. Clearly this is a geographically sensitive service that is based on gravity flow rather than area municipal boundaries. Fragmentation of the system would make no sense at all. Consolidation at the regional level makes plenty of sense.

Currently, because of the fragmented approach to regional government in greater Toronto, there are two separate pollution control systems within

the same watershed. This means that the natural north to south flow is interrupted at Metro's northern boundary. Sewage from Vaughan and Markham is pumped to the Duffin Creek Treatment Plant in Durham, rather than following its natural flow pattern down the Humber and Don River watersheds.

A region-wide management model will enable us to realize the technical advantages of true watershed based planning for wastewater treatment.

At present, wastewater and, in Metro, York and Peel, sewage are collected by area municipalities through a network of drainage pipes and sewers and then delivered to trunk sewers for treatment at the regional treatment plants. This division of responsibilities works and there is no compelling reason why it could not continue.

Waste Management

Waste management is another responsibility that clearly benefits from region-wide coordination and economies of scale.

Solid waste management in the Toronto region has evolved rapidly from a simple waste disposal based function to a more fully integrated approach that maximizes "the 3Rs". However, there is currently a wide range in the scope, consistency and service levels in recycling and waste diversion programs across the Toronto region. Clearly, overall waste management policy needs to be coordinated and should be set by the regional level of government.

Furthermore, the waste disposal function is already largely geared to the entire urban region. The Metro system has provided 95 per cent of the disposal capacity for the regions of Durham and York since 1976 and 1983 respectively.

There have been suggestions that garbage collection should become a regional responsibility. As long as the Regional Council sets overall waste management policy, we think that it makes sense for waste collection to remain an area municipal responsibility. It is a clear service to property and efficiencies are being realised through contracting out the service and other service delivery options. We are not convinced that there are advantages to be gained by regionalising collection over the entire urban area.

Regional Road System

The two tier road system continues to make sense. The Greater Toronto Council should have responsibility for the network of expressways and regional arterial roads. These roads cross area municipal boundaries and carry the majority of traffic, transit and goods. They must be coordinated across the region. Area municipalities should be responsible for local roads that provide access to property and serve local community needs.

We must continue to seek ways to streamline and rationalise many of the functions associated with the management of our roads. Many maintenance functions are already contracted out to the private sector. There probably are further savings to be found by coordinating regional and area municipal maintenance contracts. We should investigate whether savings can be achieved by devolving common road maintenance functions to the area municipalities. We must also take a fresh look at what are essentially regional roads within the newly defined region. Many roads under regional control, especially in the central area, may no longer be performing an arterial function. If that is the case, there may be no reason for the regional government to be responsible for these roads.

Traffic Control

A regionally controlled and coordinated traffic signal system is necessary to provide for the safe and efficient movement of people and goods throughout the region. In addition to public safety, the efficient, coordinated management of traffic flow assists in congestion management and air quality management and in giving priority to transit vehicles.

Traffic light control is currently computerised within each of the five existing regions in Greater Toronto. It should not be too much of a challenge to consolidate these systems.

Breaking up responsibility for traffic signals among fifteen or more separate municipalities in Greater Toronto, as some have suggested doing, would cause major traffic problems.

Public Transit

Transit in the urban area should be a seamless, regionally coordinated service. We appear to be moving in that direction already. There has been concern expressed by some mayors outside Metro that a single region-wide transit service will suddenly introduce downtown Toronto levels of transit service into their communities. That will not happen. Rather, rational region-wide transit planning and coordination will take place. Service levels would improve in suburban communities as warranted by urban development and demographic change.

The TTC is the most efficient transit operation in Greater Toronto requiring a subsidy of just 60 cents per trip. Subsidies to the other transit systems range from 90 cents per ride in Brampton to more than two dollars in Pickering and over three dollars in Richmond Hill.

We believe that the transit service can be more financially accountable to taxpayers if it is supervised by a committee of the regional council rather than by a special purpose body.

Greenspace Conservation and Protection

Valleylands, ravines, the Lake Ontario waterfront and other natural greenspace systems are part of the defining structure of the Toronto urban region. These systems are based on watersheds and river courses and do not stop at area municipal boundaries. It is essential that conservation and protection of these major greenspace systems be coordinated across the entire region.

The proposed boundaries for the Toronto region are consistent with the watersheds of the Greater Toronto Bioregion. We propose that the watershed management and conservation functions now provided through separate conservation authorities become the responsibility of the regional government.

It is important to emphasize that the functions we are discussing here relate to river valleys and natural areas, not parks. We are proposing that parks management and purely recreational functions should be within the jurisdiction of area municipalities and not the regional government unless it can be demonstrated that a specific park, such as the Metro Toronto Zoo, is

a unique regional asset that should be maintained on behalf of the whole region.

Regional Cultural Services

In addition to the zoo, a number of other major regional cultural assets are in public ownership. These include Exhibition Place, the O'Keefe Centre, the Guild Inn and the Metropolitan Toronto Reference Library.

All of these are specialized resources within the region. Their users are not confined to the municipality in which these institutions are located.

Where public ownership is necessary, it makes sense for the regional government to be the steward of these regional assets.

In some cases, such as the O'Keefe Centre, alternatives to government ownership and management are being explored. The relationship of the management structure of Exhibition Place to that of the provincially owned Ontario Place is also being examined. If there are more efficient, effective and sensible approaches to the management and ownership of these assets, we must be open to investigating them.

However, reform of municipal government in greater Toronto must not lose sight of the region wide significance of cultural services and amenities. Regional government responsibility for regional cultural programs makes sense. It complements the region's role in economic development and promotion. Furthermore, consumers of cultural services are not bound by local municipal boundaries. They are attracted to a destination, an event or an information resource with little regard to who built, maintains or operates it.

The arts play an increasingly important role in the economic and social life of the Toronto region. Anchored by an internationally recognized concentration of cultural resources in the City of Toronto, the region has become a prominent continental and international cultural centre. It is:

- the second largest theatre centre in North America and third largest in the English speaking world

- the third largest film and video production centre in North America
- ranked fourth of 343 metropolitan areas for its cultural amenities and services by Places Rated Almanac.

The following figures from Statistics Canada show how great the economic impact of the cultural sector is in Metro alone:

- The sector generated about 115,000 jobs or almost one tenth of all jobs in Metro in 1993.
- The cultural sector in Metro contributed more than \$6 billion to Canada's Gross Domestic Product in 1993.

The Metro government has recognized the value of cultural services to the regional economy and has played an important role in nurturing and supporting the sector. Metro provides funding for regional not-for-profit corporations that present close to 9,000 cultural events annually attended by more than 7 million people. These activities help to incubate the pool of local talent and infrastructure that feed the commercial cultural ventures.

Community Social Services

Responsibility for community social services should continue to be at the regional level. These services are an essential part of the social infrastructure and add to the overall quality of life across the region. Remember, quality of life and the absence of extremes of social distress and poverty represent one of this region's key competitive advantages.

Residents across the region should be entitled to expect the same standard of service regardless of which part of the urban area they happen to live in. In addition, all residents of the region benefit from the prosperity of the region. All should share in its costs too.

Some have suggested that responsibility for community services be devolved to the area municipalities. We do not agree. This would impose too harsh a burden on those communities, particularly the inner city, that are home to a disproportionately high percentage of the region's vulnerable and disadvantaged population.

John Robarts noted, in the final report of his 1977 Royal Commission on Metro Toronto, that these communities have no control over the economic and social factors affecting demand for social services. Nor do they control the reasons for people in need being concentrated in particular municipalities. It stands to reason that they should not bear sole responsibility for the costs.

The fragmentation of responsibility for community services would also inevitably lead to huge variations in the basic standards of service to people simply because of the part of the urban area in which they happen to live.

In Metro, the trend has been to decentralise the actual delivery of community services to community-based agencies. Regional responsibility for community services gives us both sensitive, responsive neighbourhood service delivery and common standards across the region.

Metro's community services have been a major reason why Metro Toronto has a vibrant core. Let's ensure that the Toronto of the next century has the sense to stay that way.

Police Services

Police services need to be coordinated across the whole region. All residents of the Toronto region should be able to expect a common standard of police service.

The creation of a Toronto regional government has implications for the future of the five police services boards which now oversee policing in the urban region. Their consolidation into a single police services board makes sense for the urban region. We are aware however that the Halton, York, Peel and Durham police departments may provide services to the rural areas of those regions which will not be included in the proposed Toronto region. Clearly, alternative policing arrangements will have to be developed for communities in these areas.

We think that police services should be more accountable financially to the regional council. This would happen if the police services board became a committee of the regional council. Another way to achieve this accountability is to permit the regional government to make all appointments to the Police Services Board,

although we believe that the current balance between citizen and political members of the board should be maintained. The advantages and drawbacks of both options should be examined.

Some have suggested that police services should be broken up and responsibility devolved to the area municipalities. In other words, there would be at least fifteen separate police departments reporting to fifteen separate police services boards in the Toronto area. The potential for duplication in operations and planning would be enormous and costly. Some municipalities may not have the resources to sustain effective approaches to policing. In addition, police issues affecting the urban region as a whole may slip through the cracks because of the differing views or priorities of each police services board.

The Metro Police Service has cautioned that breaking up police departments could prove to be an expensive venture for taxpayers. It would also make it more difficult for the police to prevent and investigate crime and apprehend offenders because of the number of jurisdictional boundaries in the built-up area.

By keeping responsibility for policing at the regional level, we will have the advantages of coordination and resource sharing across the entire region and community based service delivery through decentralised police divisions.

Ambulance and Fire Protection Services

We believe that a single ambulance authority with responsibility over the entire Toronto urban region will improve the level of service, maintain consistent standards within the region and prove extremely efficient and cost effective. Currently, only Metro has a municipal ambulance service with the remainder of the Toronto region relying on provincial, private or volunteer services.

The consolidation of ambulance services within the Toronto region is a natural extension of the similar consolidation which took place within Metro Toronto in the 1970s. Ambulance service delivery within Metro has been very successful. Metro Toronto enjoys consistently higher levels of prehospital care and faster response times than in the surrounding municipalities.

The infrastructure for a regional ambulance service is essentially in place. Metro already has the most advanced ambulance communication centre and system in Ontario, a system that can easily be expanded to encompass the remainder of the region. In this way, the Metro communication centre and a number of provincially operated communication centres could be consolidated, thereby reducing some duplication.

Some have suggested that responsibility for ambulance services be devolved to the area municipalities. This would fracture the quality and consistency of prehospital health care throughout the region and the resulting duplication would not be efficient. The public would be the loser amid a fallout of decreased service levels and increased costs.

Within Metro, six or more separate ambulance services do not make sense. In the Toronto region, fifteen or more separate ambulance services make even less sense. Taxpayers would experience wide ranges in service quality depending on where they live. There would be many cross boundary trips requiring complex fee for service or mutual aid agreements. Emergency coverage would only be maintained by hiring more staff and purchasing more ambulances.

There has been some suggestion that control over ambulance services be assumed by area municipal fire departments. The argument goes that ambulance response times will automatically improve because fire vehicles have faster response times than ambulances. This is a misleading rationale that leaves out some very important information.

Of course fire trucks respond to emergencies more quickly than ambulances. In Metro Toronto, there are more than twice as many active fire stations and vehicles than there are ambulance resources. There are more than four times as many fire department staff. The combined budget for Metro Toronto fire departments is three times as large as Metro's ambulance services budget. In contrast, Metro ambulance services respond to approximately one and a half times as many calls as do the fire departments.

We agree that it is important for all emergency response services to be under the same jurisdiction. It also makes far more sense to consolidate fire departments at the regional level. A recent consultant's study of the fire department in the City of York pointed out that efficiencies probably would be realized by having one region-wide fire service.

Municipal Borrowing

The management and administration of municipal borrowing requirements should continue to be a regional responsibility. For all practical economic purposes, the entire urban region is a single entity, for which one credit rating and one debt obligation would make sense to those who rate, sell or buy our bonds.

With its high credit rating (remember that Metro has always been able to maintain a domestic AAA credit rating, higher than both the federal and provincial governments), the region will be able to access the domestic and Euro-Canadian markets, as well as U.S. and private issues to obtain the lowest available cost of funds to finance regional and area municipal capital investments.

A single Greater Toronto Council to replace the existing five councils, responsible for regional government in the Toronto urban area, will provide further benefits. Following the consolidation of debt records, one rather than five sinking fund committees will administer investments related to retirement of the debt.

Since the new, consolidated region will be viewed as a stronger economic entity, the increased size of new issues would open doors to all available transactions in domestic or foreign currencies, and develop further alternatives to public issues such as more frequent private placements and access to medium term notes, with the potential to further decrease borrowing costs.

Licensing

In 1957, Metro was given responsibility for the development and management of a uniform system of licensing for taxis, tradespeople, restaurants, cartage trucks and other businesses. The transfer of this responsibility to the metropolitan level of government made good sense in the complex urban setting that Toronto had become. Regional responsibility for these business licensing functions continues to make sense in the Toronto region.

However, the provincial and municipal governments should review the current array of licensing requirements for businesses. In many cases, a single business must obtain several different licenses, some from the area municipality, some from the regional municipality and yet more from provincial agencies. We believe that the system could be made simpler and probably much cheaper to administer.

PART 3: CONCLUSIONS

3.1 THE BENEFITS OF OUR PROPOSAL

The concept of a strong, coherent, integrated, purposeful and viable metropolitan government is not an anachronism as some would have us believe. The concept is alive and well. Urban regions fortunate enough to have the opportunity to make it a reality will be well served in a competitive world of barrier-free trade. The benefits of region-wide government are still well recognised.

Research from the University of Birmingham's Institute of Local Government Studies in England shows what a folly the abolition of

metropolitan government was in England in 1986. There is every expectation that metropolitan level government will be restored following the next British General Election.

In the Netherlands, a two tier municipal government structure has been developed for the Rotterdam urban region. Dutch officials anticipate that the new directly elected Metropolitan Rotterdam Council will be in place by 1997. The driving force behind the creation of a regional government in Rotterdam is the need to compete with other regions in Europe.

The Toronto region cannot sit back idly while others prepare for economic battle. We cannot

afford to take a narrow view and simply respond to problems that are obvious today. We must seize the opportunity to set in place a structure that should last another generation at least. The approach we have outlined in this report will equip the Toronto region to meet the challenges of the coming decades.

We will be challenged by intense international competition for jobs and investment at a time when all levels of government will have less money. The federal government will most likely have devolved a great deal of responsibility to the provinces. The provinces, in turn, will devolve a lot more financial responsibility to local governments. The latter sit at the bottom of the public finance pyramid and cannot pass on their costs to anyone but the taxpayer.

Efficient Municipal Government

We believe strongly that the net effect of our proposals for a revitalized Toronto region will be efficient municipal government. The replacement of five regional governments by one Greater Toronto Council and the consolidation of 21 area municipal governments into 15 municipalities will save taxpayers millions of dollars each year.

For example, rolling five regional governments into one could save more than \$50 million a year in administrative costs alone.

In 1995 the five regional governments will spend \$1.1 billion on capital works. Our proposal will allow much better co-ordination of infrastructure planning and provision. Every 10 per cent gain in efficiency in this area has the potential to cut the cost of capital works by more than \$100 million.

Metro has estimated that consolidation of six area municipal fire departments into one Metro department would save at least \$10 million a year in administrative costs. Just think how much more money will be saved by consolidating all municipal fire departments within the new Toronto region.

Breaking up regional government, as some have suggested doing, will not save taxpayers any money at all. On the contrary, we have calculated that transferring Metro's service responsibilities to its six area municipalities

would cost taxpayers \$550 million a year more in additional administration expenditures.

Research in England has also proved that the elimination of the metropolitan level of government doesn't save money. The British government had claimed in 1986 that its plan to abolish metropolitan level government in England's seven largest cities would result in annual savings of approximately £100 million.

Peter Watt of the University of Birmingham developed a sophisticated econometric model to analyse expenditure in England's metropolitan areas before and after the abolition of regional government in these areas. He found that expenditures actually increased by around 3 per cent. As Watt pointed out:

"Whilst this rise of 3 per cent is by no means a large growth in expenditure, by the same token it cannot be said to represent a saving."

Companion research at the University of Birmingham also demonstrated that, in the first year following abolition the numbers of staff employed to carry out the functions of the former metropolitan governments *increased* by up to 1,000 staff.

These findings reinforce what we already know. Metropolitan-wide government is efficient. We know that, contrary to what some have tried to claim, Metro has been and continues to be a bargain. More than 95 per cent of Metro's spending goes directly to front line service departments. All Metro's services combined cost the average household \$57 per month — that, for example, amounts to 25 per cent less than the cost of auto insurance.

Metro has a proven record as an excellent manager of its budget. We have already noted its AAA credit rating. In the face of spiralling increases in the cost of mandatory services such as welfare and falling revenue due to the recession and shrinking assessment base, the directly elected Metro Council still managed to reduce expenditures by 9.1 per cent in 1994-1995, hold the line on property taxes in 1993 and 1994, and maintain service levels.

This kind of prudent fiscal management in very difficult times is a good indicator of how

efficient a coherent, accountable regional government will be in greater Toronto.

A Prosperous, More Competitive Region

Since the creation of the Metro government in 1953, the residents and businesses of the Toronto region have reaped the rewards of a heritage of long-term, region-wide planning, infrastructure development and service provision.

Metro government gave us:

- *An efficient transit and road system that provides fast and easy access for people to jobs and for products to markets.*
- *A network of waterfront and river valley greenspaces that protect the natural environment and provide people with places to play and enjoy nature.*
- *Cost-effective water and sewer systems that ensure access to clean water and protect our natural environment.*
- *A full range of housing opportunities to accommodate the growing numbers of people attracted to our region.*
- *A thriving downtown core, the envy of North America, offering a diverse range of arts and cultural facilities and a variety of residential neighbourhoods, while emerging as the finance and business hub for Canada and the Great Lakes region of North America.*

We have the evidence in our own back yard that region-wide government can and does create a stronger, prosperous and more competitive region. It lets us set budget priorities in times of fiscal restraint and it enables us to provide public services more cost effectively.

All these regional assets have afforded residents of the Toronto region a high quality of life and provided a firm foundation for attracting investment and jobs.

The success of the Metro model of regional governance has received worldwide attention and acclaim. The Toronto region consistently ranks

among the top ten cities in the world for its quality of living and business environment.

This has been achieved through planning and management that has built on the diversity and strength of the whole region. Our success was achieved by pooling our resources in the common interest of the region as a whole.

A Stronger Central City

The benefits of sharing resources across the region cannot be underestimated. Earlier in this report, we referred to research in the United States that establishes statistical proof of how important a healthy urban core is to the rest of a metropolitan area. The creation of a region-wide government with revenue raising powers will re-establish a truly regional tax pool in the Toronto region. This is of critical importance to the long term health of the core.

The tax pool is especially important for education, policing and community services. It will be the key to preventing the downward spiral of the more socio-economically depressed parts of the Toronto region.

Looking ahead thirty or forty years, nobody knows exactly which parts of the region will need the tax pool most. It could be the City of Toronto, North York or Brampton. The fact is, the tax pool will benefit the whole region because it will counter the tendency for poor municipalities to get poorer and become "no-go zones".

Most inner cities in the United States can only fantasize about a regional tax pool. They will probably never get one because they are so blighted that their suburbs would never enter a finance sharing arrangement with them.

It is disturbing that Toronto City Council has suggested pulling out of the Metro tax pool. There may be a short term benefit to them now, but they have to think about what could happen to the core in the years ahead. If the City of Toronto found itself in financial difficulties, it would be left like almost every inner city in the United States, spiralling downwards and wishing it could pool resources regionally.

History will judge harshly near-sighted politicians who, for short term gain, destroy something that can probably never be replaced. Once the tax pool has been eliminated and

municipalities have been financially "unbundled" from one another, it will be almost impossible to put them back together again.

The Toronto region would inevitably become a more politically fractious place. Tragically, it would also become a more socially divided place, split by socio-economic segregation.

Our proposed Toronto regional government will benefit the core — and therefore the entire region — in other ways, too, apart from the tax pool.

Tying municipalities together financially will help to ensure that decisions about infrastructure investments and major facilities or cultural attractions are made on the basis of where they *should* go. Under a system with no upper tier or with a stripped down upper tier run by a mayors' committee, these decisions would almost certainly be made on a purely parochial basis.

A Toronto regional government would have the infrastructure planning power to curb urban sprawl and encourage a better urban form that is less likely to suck the vitality out of the core. The control of sprawl will also save taxpayers and developers millions of dollars in duplicate infrastructure investments.

Fewer Councils, Politicians and Bureaucrats

Not only will a Toronto regional government save money by facilitating more coordinated and efficient infrastructure planning and development, it will also make regional government cheaper by having fewer councils, fewer politicians and fewer bureaucrats.

One regional government will replace five. There will be fewer than thirty regional councillors instead of more than one hundred and thirty.

Many duplicate administrative functions performed in five regional government bureaucracies will be consolidated into one streamlined operation.

3.2 THERE MUST BE CHANGE

The work in progress must continue. It is time to catch up with the reality of our expanded urban community and ensure that principles of simplicity, autonomy, accountability and fairness enable us to meet the needs of all residents of this large metropolis, this large Toronto.

So far in the debate, we have heard many ideas from those involved who know the problems, but few are offering real solutions that do not critically violate what the public wants. The regional chairs of Halton, York, Peel and Durham don't go far enough. Our fragmented municipalities want to stay fragmented but get together every so often to solve all of the problems that their fragmentation has created. Others want unelected special purpose bodies to make our problems go away. Some want a unity. Some want a separate province. Some want no province.

We want what has naturally evolved. In the 1950s, some 90 per cent of the urban envelope was managed by Metro in concert with what were then 13 local municipalities. And the urban area boomed. Problems were solved. Coordination occurred. Infrastructure use was optimized. People were moved around the metropolis efficiently. The urban core was vibrant.

It is time to realign the economic and social boundaries with the political boundaries of the metropolis. It is time to replace five existing regional governments with one new regional government, directly elected, to manage the municipal needs for region-wide services.

It is also time for the province to enable municipalities to manage. We need major financial reform. How many more times can it be said that our assessment and financial systems do not work?

Of all the choices we looked at, the need for a new region-wide government, a Greater Toronto Council, came through as being the best choice for our community.

- It will reduce the number of councils.
- It will help to fix our financial mess.
- It will make best use of our existing roads, sewer and water systems, and ambulance services.
- It will provide common standards and seamless services for people regardless of where they happen to live in the region.
- It will contain and control urban sprawl.
- It will keep the urban core alive.
- It will look after our poor.
- It will give us one voice internationally.

Our choice will give us back:

- *Simple government that the public can understand.*
- *Efficient government that the public can afford.*
- *Effective government that the public expects.*

There can be no turning back.

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